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ABSTRACT

Intended to promote discussion about unemployment and underemployment in America, this report considers the question of who among the poor do, or do not, work, and why; the occupations, industries, regional distribution, and other characteristics of the working poor; estimates as to how many more jobs could be filled or created during 1965-75; and the role of private and public employers in meeting "hard core" employment needs. Finally, the report asserts the need to combine current training and hiring efforts in the private sector with the expansion and provision of public service at various levels of government and in nonprofit organizations. Twelve tables are included. (ly)

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The Nature of the Job Problem and the Role of New Public Service Employment

Harold L. Sheppard

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The Nature of the Job Problem and the Role of New Public Service Employment

By

HAROLD L. SHEPPARD

January 1969

The W. E. Upjohn Institute for Employment Research
300 South Westnedge Avenue
Kalamazoo, Michigan 49007

The W. E. Upjohn Institute for Employment Research

THE INSTITUTE, a privately sponsored nonprofit research organization, was established on July 1, 1945. It is an activity of the W. E. Upjohn Unemployment Trustee Corporation, which was formed in 1932 to administer a fund set aside by the late Dr. W. E. Upjohn for the purpose of carrying on "research into the causes and effects of unemployment and measures for the alleviation of unemployment."

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Preface

This paper combines two recent reports by the author, one on the dimensions of the problem of the hard-core unemployed and the underemployed in the United States, and the second on the question of public service employment as one of the answers to that problem. The first was originally prepared for a Spring 1968 conference sponsored by the National Association for Community Development and the American Foundation on Automation and Employment, and financed in part by a Ford Foundation grant. The second report is based on a survey conducted by the author for the National Urban Coalition, with the cooperation of the United States Conference of Mayors. The survey was designed to elicit from the mayors of major cities in the United States careful estimates of the additional manpower needed to carry out more fully the services of a selected number of local public agencies in the event additional funds for such purposes were made available.

The views expressed in this staff paper do not necessarily reflect the positions of the W. E. Upjohn Institute for Employment Research.

Harold L. Sheppard

Washington, D.C.
November 1968

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Contents

Preface iii

Introduction 1

The Poor Who Do Not Work 1

The Working Poor 2

Occupations and Poverty 4

Industries of the Working Poor 6

Location of Poor Workers 8

How Many Jobs for the Poor? 11

Private and Public Employment 17

Summary 29

The Nature of the Job Problem and the Role of New Public Service Employment

Introduction

This brief report is intended to provide a springboard for discussion about the nature and size of the job problem in America, especially the question of who among the poor do and do not work and why; the characteristics of the working poor (including their occupations, industries in which they work, and their location); the variety of estimates as to how many more jobs could be filled or created; and the role of private and public employment in meeting the employment needs of the poor and the underemployed.

Estimates of the number of people in need of jobs or better jobs range from 4.6 million family heads and unrelated individuals to 7.3 million, as discussed in this paper. These should be compared with 2.4 million (as of March 1968) who were working part time but wanting full-time jobs, or unemployed for 15 or more weeks. As for the *sources* of new jobs for such persons, there is no one simple estimate as to what the potential might be in the private sector of the economy. In the public sector, one estimate has been as high as 5.3 million for a given number of public service functions. If we take the maximum estimate of 7.3 million family heads and unrelated individuals in need of jobs or better jobs, and assume that the 5.3 million public service jobs could be filled by them, we would then have a gap of about 2 million persons in need of jobs. To date, efforts to create that many new jobs in the private sector have not succeeded, partly because of a lack of an intrinsic demand for private industry employees at the job levels they now might qualify for.

The Poor Who Do Not Work

Before discussing in detail the estimates of unemployment and underemployment, we should first lay to rest the issue of the poor who do not work.

Heads of Families

In 1966, there were 2.3 million nonworking heads of poor families, of all ages. But nearly one-half of these family heads were 65 years old or more. Of the remaining 1.2 million poor nonworkers *under* 65, more than three-fifths (63 percent) were female heads of families. The vast majority of them did not work because of family responsibilities and health problems.

We are left then with about 450,000 male heads of poor families under the age of 65, and of these:

64% were ill or disabled
16% were unable to find work
8% were in school
18% gave a variety of other reasons

100%

According to these figures, then, there were in 1966 about 45,000 male heads of poor families under the age of 65 who did not work because of inability to find a job. This number is not much to get excited about in any discussion of the poor who don't work. Approximately one-fourth of this group were between the ages of 55 and 65.

Unrelated Individuals

In the same year there were nearly 3.2 million nonworking poor persons who were unrelated individuals, but more than 70 percent of these persons were 65 years old and more! And among the remaining 900,000 or so, 70 percent were women, again with illness and home duties as the major reasons for not working. There were thus only about 275,000 poor unrelated males under the age of 65 who did not work that year, of whom

44% were ill or disabled
15% were unable to find work
20% were in school
21% gave a variety of other reasons

100%

According to these percentages, then, about 41,000 male unrelated individuals under the age of 65 did not work at all because of inability to find employment.

The Working Poor

The working poor can be divided into two groups: (1) those who worked but not on a year-round, full-time basis; (2) those who did work on such a basis (at least 40 weeks a year, full time).

The first group contained, in 1966, about 1.7 million heads of poor families and about 1.2 million poor unrelated individuals. Among the family heads, 15 percent were 65 or older, and 39 percent were females under the age of 65. In other words, 45 percent were under-65 male heads of families.

A. In actual numbers this means that in 1966 there were more than 750,000 under-65 male heads of poor families not working on a full-time basis at least 40 weeks in the previous year. The number would be even higher if we had information on how many working male heads of poor families did not work full time at least *fifty* weeks a year, a more meaningful definition of decent employment. Nevertheless, this figure of 750,000 under-65 working male heads of poor families provides us with the first step toward a *minimum* estimate of the underemployment problem in the United States.

B. We must add another group of persons not working full time at least 40 weeks a year and who are poor — the 1.2 million unrelated individuals. Only 28 percent of these persons were males under the age of 65, or about 337,000. Another 563,000 were females under that age.

If these two figures are added to the 750,000 under-65 male heads of poor families who worked on less than a full-time basis 40 weeks or more, we arrive at a minimum figure of approximately 1.65 million persons (under-65 male family heads *and* under-65 unrelated individuals) who might be deemed as underemployed.

C. But we cannot stop there. In 1966 there were also about 2.4 million family heads and about 540,000 unrelated individuals who worked 40 or more weeks in the previous year on a full-time basis, and were nevertheless poor. Approximately three-fourths of these persons were white, incidentally.

The total *minimum* or *conservative* estimate, therefore, of underemployment among poor persons in the nation's labor force is roughly 4.6 million persons:

1.65 million under-65 male family heads and under-65 unrelated individuals working *less* than year round on a full-time basis
2.40 million family heads working year round, full time
.54 million unrelated individuals working year round, full time

---

4.59 million, minimum estimate of underemployed

This estimate omits (1) most of the aged who might be working and yet are poor; (2) a sizable number of female heads of families with the same work-and-poverty characteristics; (3) working wives and children of the male heads of families included in the 4.6 million; and (4) the 86,000 under-65 poor males (family heads and unrelated individuals) unable to find any employment.

Nearly 1.5 million poor families had *more* than one earner in the labor force during 1966. In other words, 45 percent of all the poor families with labor force participants depended on two or more family members for income (see Table I).

Table I

Number of Poor Families in Labor Force and Percent Having Two or More Wage Earners by Color and Sex of Family Head 1966

Item	All	Family heads			
		White		Nonwhite	
		Male	Female	Male	Female
Number of families, in thousands	3,268	1,827	391	729	318
Percent with 2 or more earners	45	39	38	63	55

Source: Derived by H. L. Sheppard from Social Security table based on Mollie Orshansky's analysis of Bureau of the Census tabulations from the *Current Population Survey* for March 1967, Social Security Administration, *Research and Statistics Note,* December 6, 1967. Numbers in first row do not add to 3,268 because of rounding.

D. Another way of estimating the size of the problem is to start with data on number of earners in poor families, compiled by the Census for the Office of Economic Opportunity (OEO). If we tally all the members of poor families who earned and thus worked in 1966, the number adds to at least 6 million.

This number does not include unrelated individuals who were in the labor force as of the same survey, which counted more than 1.3 million.

Therefore, using this approach to estimate the magnitude of the job problem, we arrive at a figure of more than 7.3 million men and women who are labor force participants and yet are poor. At least 6 million are members of families and 1.3 million are unrelated individuals. Most of them are employed, but still do not earn enough to raise their families or themselves out of poverty.

Occupations and Poverty

In March 1967, there were nearly 3.3 million heads of poor families who were in the labor force, of all ages and in all sections of the country. This figure does not include persons who were not members of families or other family members also in the labor force. Nearly 8 percent of these 3.3 million were unemployed at the time of the March 1967 survey, with the greatest percentage of them male heads of white families.

Table II reveals how these poor family heads were distributed in terms of occupation, color, and sex.

Table II

Distribution of Poor Family Heads in the Labor Force by Occupation, Color, and Sex March 1967

(in percent)

Occupation	All	Family heads			
		White		Nonwhite	
		Male	Female	Male	Female
All labor force members	100.0	55.9	12.0	22.2	9.8
Employed	*92.4*	*52.3*	*11.0*	*20.4*	*8.7*
Professional, technical, and kindred workers	3.9	2.9	0.5	0.4	0.1
Farmers and farm managers	9.6	7.9	0.1	1.6	—
Managers, officials, and proprietors, excluding farm	7.1	6.2	0.5	0.4	—
Clerical and sales workers	6.9	3.1	2.6	0.7	0.4
Craftsmen, foremen, and kindred workers	10.8	8.3	—	2.4	—
Operatives and kindred workers	19.8	11.1	1.9	5.5	1.2
Service workers	17.9	4.3	4.9	2.2	6.5
Private household workers	4.7	—	1.1	—	3.5
Laborers	16.3	8.6	0.3	7.2	0.2
Unemployed	*7.6*	*3.6*	*1.0*	*1.9*	*1.1*

Source: Derived by H. L. Sheppard from Social Security table based on Mollie Orshansky's analysis of Bureau of the Census tabulations from the *Current Population Survey* for March 1967, Social Security Administration, *Research and Statistics Note*, December 6, 1967.

Note: Based on 3,268,000 heads of poor families who were members of the labor force in March 1967. Rows and columns may not add to 100.0 percent because of rounding.

Eleven percent of all the poor family heads at that time were white males employed as operatives; seven percent were nonwhite males working as laborers. Approximately 3.5 percent were nonwhite female heads employed as private household workers (about 36 percent of *all* poor nonwhite female heads in the labor force were in this occupation).

Taking the total group "dissected" in that table, the three largest occupational categories of the employed poor family heads were operatives (nearly 20 percent); service workers (nearly 18 percent); and laborers (slightly more than 16 percent)—totaling 54 percent of all the poor family heads in the labor force.

When we add the unemployed to this list, the percentage adds up to 62 percent—that is, more than three-fifths (about 2 million) of all the labor force members who are heads of poor families are either operatives, service workers, laborers, or unemployed.

But these low-level occupations (and unemployment situations) are not distributed evenly among the labor force poor. While more than three-fifths of the total group are in these categories, less than one-half of the male white family heads (they are still the biggest single group as far as size goes—about 900,000) are in these low-level jobs or are unemployed. Nearly 70 percent of *female* heads of white families (265,000), 75 percent of male nonwhites (549,000), and more than 80 percent of female nonwhites (258,000) are either operatives, service workers, laborers, or unemployed.

Industries of the Working Poor

Poverty is not strictly a matter of occupation, region, or family status; it is also related to the *type of industry* in which a breadwinner is employed. Unfortunately, the official government data pertaining to the characteristics of those below the accepted poverty line (based on income, location, and family size) do not report the industry distribution of the poor. However, in a recent article by Barry Bluestone,[1] some of the industries having at least 40 percent of their employees earning below a relatively low wage for all nonsupervisory employees —stipulated at $2.25 per hour or less by Bluestone—are listed as shown in Table III.

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[1] "Low-Wage Industries and the Working Poor," *Poverty and Human Resources Abstract,* Vol. III, No. 2 (March-April 1968).

Table III

Industries in Which 40 Percent or More of Workers Earned Less Than $2.25 per Hour 1962-1966

Item	Year	Percent of workers below $2.25 per hour	Estimated number of workers below $2.25 per hour
Industry			
Southern sawmills and planing mills	1962	88.2	97,600
Nursing homes and related facilities	1965	86.3	148,986
Work clothing	1964	72.8	41,983
Children's hosiery mills	1964	67.3	11,686
Men's and boys' shirts	1964	70.4	68,242
Laundries and cleaning services	1966	72.5	288,343
Men's hosiery mills	1964	65.2	13,837
Synthetic textiles	1963	55.5	46,739
Cigar manufacturing	1964	50.7	10,989
Wood household furniture	1965	48.1	57,720
Footwear	1965	50.6	87,945
Women's hosiery mills	1964	45.0	19,946
Hospitals (excluding federal)	1966	41.2	733,896
Retail trade			
Limited price variety stores	1965	87.9	243,571
Eating and drinking places	1963	79.4	1,021,646
Hotels and motels	1963	76.1	316,796
Drug and proprietary stores	1965	71.3	265,093
Gasoline service stations	1965	66.7	317,559
Apparel and accessory stores	1965	59.7	347,514
Department stores	1965	59.6	607,503
Miscellaneous retail stores	1965	58.0	561,556
Retail food stores	1965	47.6	650,597

Source: Industry Wage Surveys, Bureau of Labor Statistics, Department of Labor, 1962-66.

It should be kept in mind, when assessing these several million workers employed at less than $2.25 per hour, that:

1. The list is not exhaustive; it refers only to selected industries, and within them, just the ones in which at least 40 percent of the employees earned less than the cited hourly wage.

2. There is no indication in the data as to number of weeks worked full time per year; in other words, it would be misleading to assume that we are talking in every instance about an annual wage income of $4,500 ($2.25 x 2,000 hours).

3. On the other hand, the data in the table do not tell us whether or not other members of the workers' families are also employed, and thus the extent to which total family income (relative to region and size of family) is above or below the poverty line.

Nevertheless, it is clear that certain industries have substantial numbers of men and women whose earned incomes keep them below the level of a decent income, and who may therefore be considered as underemployed. In hospitals, nursing homes, laundries, and restaurants alone we can be sure that most of their 2 million or so workers earning less than $2.25 are in this category.

Location of Poor Workers

In 1964, among all production workers in manufacturing industries (numbering 12.6 million), 47 percent earned less than $2.20 per hour. But in the South 71 percent were below this figure; 49 percent in the Northeast; 36 percent in the North Central region; and only 26 percent in the West.

Thirty-five percent of all production workers earning less than $2.20 lived in the South. However, if we concentrate only on workers earning less than $1.60 per hour in 1964, we find that the South had 47 percent of them. (Keep in mind also that 63 percent of the nation's poor rural families are in the South.)

Of these lower wage production workers earning under $1.60 per hour in 1964, the Northeast region contained 30 percent; the North Central region, 19 percent; and the West, only 4 percent.[2]

Among poor families with a head working even year round on a full-time basis, more than one-half of all of them are in the South (although that region has less than 30 percent of all families whose heads have year-round full-time jobs). Among unrelated individuals working year round full time, the South has 31 percent of the poverty-income jobs, but less than one-fourth of all of the country's year-round full-time jobs occupied by unrelated individuals. The Northeast region also is overrepresented among poor unrelated individuals. Table IV gives regional comparisons.

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[2]U.S. Department of Commerce, *Statistical Abstracts of the United States*, 1967, Table 336, p. 238.

Table IV

Regional Distribution of Family Heads and Unrelated Individuals With Year-Round Full-Time Jobs 1964

(in percent)

Region	Family heads		Unrelated individuals	
	All	Poor	All	Poor
Total	99	100	99	100
Northeast	26	13	31	37
North Central	29	25	27	24
South	29	53	23	31
West	15	9	18	8
Number, in thousands	30,705	2,104	4,215	573

Source: Derived from Tables 2 and 5 in "More About the Poor in 1964," by Mollie Orshansky, *Social Security Bulletin,* May 1966.

As might be expected, the small towns and rural areas of America have a disproportionate number of workers who are heads of poor families (see Table V). This is indicated by the fact, for example, that more than one-half of the *poor* families with working heads are in areas with less than 50,000 population (areas outside SMSA's), while for *all* families with working heads, only one-third are in such areas.

Table V

Location of Families With Working Heads and With Two or More Wage Earners by Size of Area 1966

(in percent)

Size of area	Families with working heads		Families with 2 or more earners	
	All	Poor	All	Poor
Total	100	100	100	100
SMSA's 250,000+	56	39	55	32
SMSA's under 250,000	10	9	10	8
Areas outside SMSA's	34	52	35	60
Number of families, in thousands	44,416	4,654	23,710	1,575

Source: Bureau of the Census, unpublished data from 1966 survey, prepared by H. L. Sheppard.

Furthermore, three-fifths of all poor families with two or more workers in them are in these smaller and rural areas of the country.

Central Cities

According to some recent OEO preliminary estimates, the central cities of our country contain nearly 1.3 million jobseeking or underemployed poor persons of all ages (half of whom are white) who are in *one* of the following categories:

aged 16-21;
member of an ethnic minority;
physically handicapped; or
a school dropout before completing high school.

The distribution of these persons by age group is as follows:

Age group	*Percent*
16-21	33
22-54	43
55-64	14
65+	10
	100

Contrary to some expectations, 56 percent of this group of central city unemployed and underemployed poor are females, amounting to more than 700,000.

How Many Jobs for the Poor?

There is no "one best way" for estimating how many job vacancies could be filled now by the jobseeking and underemployed poor or how many *more* new jobs could be created for such persons. The experts have a variety of methods for coming up with "intelligent guesstimates," and this is what we will do in this report, too. But it is nevertheless safe to say that most, if not all, of these experts would agree that: (1) there are vacancies going unfilled in the private and public sectors; (2) many of these vacancies could be filled by the jobseeking and underemployed poor—with and without further training.

They would also argue that some things *are* quite certain and predictable; for example, the *size* of the labor force in the future. It does not take any great computer or complicated mathematical formula to state that if the population today is of a certain size in each age group of males and females, and if the percentage of each age-sex group that is in the labor force remains constant (or continues to change under current trends), the picture, say, for 1975 is as Table VI shows.

Table VI
Projected Labor Force, 1975 and Percent Change, 1965-1975 by Sex and Age

Sex and age	Labor force, 1975 (millions)	Percent change 1965-1975
Both sexes		
14 and over	93.6	19.5
Male		
14 and over	60.3	16.6
14 to 19	5.6	21.7
20 to 24	8.3	40.6
25 to 34	15.0	40.5
35 to 44	10.7	—7.0
45 to 54	10.8	6.7
55 to 64	7.8	15.2
65 and older	2.1	—2.1
Female		
14 and over	33.4	25.1
14 to 19	3.7	27.2
20 to 24	4.9	44.1
25 to 34	6.1	44.2
35 to 44	5.6	—2.5
45 to 54	7.0	22.9
55 to 64	4.8	34.5
65 and older	1.2	23.5

Source: Based on Table E-2, *Manpower Report of the President, 1967.*

These figures show rather forcefully that (1) the greatest increases in the labor force will occur among the young adult segments of the population, from 20 to 34—persons who in 1965 were only 10-24 years old; and (2) we will have to create or find, by 1975, at least 15 million more jobs than there were in 1965.

Regional Change

The same sources estimate that the greatest rates of increase in the labor force will take place in the following regions:

South Atlantic
West South Central
Mountain States
Pacific[3]

[3] *South Atlantic*—especially Delaware, Maryland, Virginia, South Carolina, Georgia, and Florida. *West South Central*—especially Arkansas, Louisiana, and Texas. *Mountain*—especially Idaho, Colorado, New Mexico, Arizona, Utah, and Nevada. *Pacific*—especially California and Hawaii.

These four growth regions in the near future will have about 42 percent of the national labor force (as compared to only 39 percent in 1960).

Regions with sharp declines in the size of the labor force are expected to be:

New England
Middle Atlantic
East North Central
West North Central[4]

In the near future, these four regions are expected to have 52 percent of the total national labor force (as compared to 55 percent in 1960). To be sure, each of these regions will experience an increase in the *number* of persons in the labor force, but such an increase will be at a slower pace than for the country as a whole.

Occupational Change

In terms of *occupations,* the Department of Labor estimates that between 1965 and 1975 changes in the number of employed persons in each major occupation group, as shown in Table VII, may be expected.

Table VII

Projected Employment Change by Major Occupation Group 1965-1975

Major occupation group	Change, 1965-1975	
	Number (millions)	Percent
Total employment	16.5	22.8
Professional, technical, and kindred workers	4.0	45.2
Managers, officials, and proprietors, except farm	1.9	25.3
Clerical and kindred workers	3.4	30.8
Sales workers	1.1	23.0
Craftsmen, foremen, and kindred workers	2.2	23.6
Operatives and kindred workers	1.6	12.0
Service workers, including private household	3.2	34.5
Laborers, except farm and mine	—0.1	—3.0
Farmers and farm managers, laborers, and foremen	—0.8	—18.9

Source: Table E-8, *Manpower Report of the President, 1967.*

[4]*New England*—especially Maine, Massachusetts, and Rhode Island. *Middle Atlantic*—especially New York and Pennsylvania. *East North Central*—especially Illinois, Michigan, and Wisconsin. *West North Central*—especially Iowa, Missouri, North Dakota, Nebraska, and Kansas.

Incidentally, these estimates are based on the assumption of a 3 percent rate of unemployment for 1975, and are based also on the assumption that employment at that time will be determined by the level of employment over the past decade—i.e., that government policies will *not* lower unemployment below 3 percent of the labor force, and that *no* significant changes in technology, job design, etc., will take place. Some students of manpower and economic development might be skeptical about using *factual* trends of the past, based on one particular set of public policies and programs, as a source of decisionmaking as to what to do about the future. This skepticism is derived partly from the belief that we should concentrate more on creative policies leading to new job ideas for the future, and not just on statistics of the past.

Industry Changes

The same qualification also applies to Department of Labor employment projections by *industry* division, cited in Table VIII.

Several features of these projections should be noted. *One,* the fantastic drop in the number of people that will be working in agriculture, 840,000. We are all familiar with the magnitude of the shift that has *already* taken place. For example, in just the five years after 1960, 1.1 million jobs in agriculture simply disappeared, a percentage decline of 20 percent.

As the National Industrial Conference Board's Desk Sheet of Business Trends (April 1968) tells us:

> . . . fast-growing productivity in agriculture reduces the size of the work force needed on the farm—even as output increases. The drop in farm population is concentrated among families with young children, especially among nonwhites. . . .Between 1960 and 1967, output per man-hour on farms jumped 45%; man-hours of labor required on farms dropped 27%, and total farmland acreage shrank 3%. . . .
>
> It appears that consolidation of small farms into larger ones or retirement of small marginal farms has affected nonwhites particularly, and especially so in the South. . . .Between 1960 and 1967 the nonwhite population on farms fell 50%—1.28 million.

Table VIII

Projected Change in Employment, by Major Industry Division 1965-1975

Industry division	Change, 1965-1975	
	Number (thousands)	Percent
Agriculture	—840	—18.3
All nonagricultural wage and salary workers	15,105	24.9
Goods-producing industries	2,685	12.3
Mining	—12	—1.9
Contract construction	1,009	31.7
Manufacturing	1,688	9.4
Durable goods	1,094	10.5
Nondurable goods	595	7.8
Service-producing industries	12,421	31.9
Transportation and public utilities	487	12.1
Wholesale and retail trade	3,432	27.1
Retail only	2,614	27.9
Finance, insurance, and real estate	706	23.4
Service and miscellaneous	3,852	42.3
Government	3,944	39.1
Federal	257	10.8

Source: Table E-9, *Manpower Report of the President, 1967.*

Incidentally, we must also keep in mind that *income from farming only* is actually a small source of total income to the farm population: the fact is that 60 percent of the income of farm operators and 75 percent of the income of their other family members are derived from *work off the farm.* And these percentages continue to rise.

Furthermore, between 1959 and 1966, the number of *poor* persons living on farms fell from 6.8 to 2.4 million men, women, and children—a percentage decline of 65 percent! *For the most part, they moved to the urban areas, seeking work for themselves and their families* but woefully unprepared by their previous environment, experience, and education to cope with the labor market of the urban world.

The *second* feature about the previous two tables is that the bulk of the employment increase (63 percent) will probably occur in the professional, technical, and white-collar kinds of occupations, which traditionally call for males with higher education or for females. This becomes significant when we consider that by 1975 we will still have nearly a third of young males (under

35) without a high school diploma. And this age group will rise more sharply than all others, as noted earlier. Just among males 25-34 years old, the estimate is that 4.2 million of them will be without a high school diploma but nevertheless in the labor force. If these projections are correct, we will continue to need training programs and even pressures to redesign job requirements to fit the individual.

Third, despite some contrary beliefs, the number of *craftsmen and foremen* will increase by 2.2 million between 1965 and 1975. This estimate should be coupled with the one relating to *industry* changes, in which it is expected that in contract construction the projected increase of one million jobs will constitute a proportional rise in that 10-year period of nearly one-third—*the highest proportional rise of all goods-producing industries.* In other words, apprenticeships, middle-echelon jobs, upgrading, and housing and office-building construction—in a word, urban reconstruction activities—do offer a promising source of employment opportunities *if the proper manpower and economic policies and programs are started on now.*

Fourth, there is the rather vague and miscellaneous job category unfortunately labeled in the aggregate as "service occupations," but which could contain a great potential for increased job opportunities. For the record, we ought to make clear what is included in this grab-bag. It includes the following types of jobs: barbers, firemen, waiters, bartenders, protective service workers, policemen and detectives, private household workers, hairdressers, and janitors.

We should not confuse this *occupational* category with the *industry* category of the same name. The "service *industries*" include: advertising, private households, barber and beauty shops, auto repairing, hotels and motels, hospitals, theaters and movie houses, schools, and governments.

To pinpoint the matter further, in the last full Census count (1960), 59 percent of all male service *workers* were in service *industries* (professional and related services, government, and "other" industries); and 74 percent of female service *workers* were in the same types of service *industries.*[5]

Fifth, and the main point, service *jobs* and service *industries* are going to increase tremendously by 1975. If we concentrate only on the service industries, regardless of occupation, the projection is that in government alone nearly 4 million jobs *additional* will be available—an increase of 39 percent. More than

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[5]But more than one-half of all these female service workers were employed in private households as domestics. And nearly one-half of all such female service workers in private households were nonwhite, with mean earnings in 1959 of $864. Even if nonwhite females in this job and industry worked 50 or more weeks in that year, the mean earnings were only $1,157 (as compared to $2,055 mean earnings for all year-round employed nonwhite females, and $1,809 for year-round employed white females in the same job and industry).

93 percent of such jobs will be with state and local government agencies, *not* with the federal government—and even the latter excludes military service jobs. This increase raises the question of public service employment as a major policy issue—discussed below.

An almost equal number of additional jobs in other service industries (such as advertising, maintenance, tourism, health, etc.) is expected—about 3.8 million; and another 3.4 million additional ones in trade activities—and more than three-fourths of this increase in retail trade alone.

The basic conclusion from all of this analysis of projections is that, given the right economic policies and conditions for sound economic growth (and excluding the risks of a resource-wasting war), *and from the standpoint of numbers only,* there can be enough jobs to employ all persons who need and want to work. But this simple statement raises some further questions:

1. Will the society, through government and private industry, pursue the "right" policies and establish the "right" conditions?

2. To what extent will the underemployed, the working poor, and other jobseekers be qualified to fill the jobs ostensibly available as a result of effective policies in the public and private spheres; will they also be in the right places, i.e., where the jobs are?

These two questions have to do with the outcome of current proposals and ongoing programs in the field of economic and manpower development.

Private and Public Employment

At the current time, a great deal of government energy and resources is being put into appeals to the private sector (especially the giants of private industry) to hire, train, and keep employed large numbers of unemployed and underemployed youths and adult men and women. In addition to the government's relying on basic motive of sheer community civic service—and perhaps even of pure and simple survival, in the light of the recent "civil disorders" (on the assumption that lack of jobs or low-level jobs are the root cause of the rioting and looting)—the government has also sought to use "incentives" with private industry in the form of subsidies to offset the costs of recruiting, training, supervising, and maintaining on the job residents of our cities' slum areas.

It may be too soon to judge such effects as CEP, MA-1 through MA-3, etc., but it appears that to date the efforts have not produced large numbers of successful placements. Perhaps the incentives have not been enough for potential employers. Perhaps too few potential employers have been reached (the techniques and/or the target employers may have been limited). Possibly there may be

problems not anticipated by the administrators and employers in these various programs and projects around the country—problems caused by handicaps of the hard-core unemployed and underemployed such as illiteracy, poor health, fears and misconceptions about the nature of work and supervision; by lack of preparation of trainers and supervisors on the job for coping with the handicaps of such persons, etc. Discrimination based on racism continues to plague the job market also.

At any rate, it may well be that even with the best of motives, the best of recruiting, training, on-the-job techniques, etc., the actual *numbers* of jobs now available for the hard-core unemployed and underemployed in private industry are limited, or not readily accessible to such persons (in terms of location of jobs versus location of people). In general, it may well be that at the present time the demand within private industry for entry jobs (even with needs for meeting normal turnover, retirements, etc.) is too low to absorb all jobseekers in the areas where the jobs are.

A preliminary report by the National Committee on Employment of Youth regarding the accomplishments of job-creation and -placement programs by the government and by the National Alliance of Businessmen (NAB)—a private-sector approach backed up by government incentives—stated that "employers in the public sector seem to be achieving the hiring goals more readily than those in the private sector."[6] The survey's data on 18 of the 50 largest cities in which NAB projects were initiated revealed that as of mid-July only 31,184 jobs were filled—in contrast to 131,000 originally planned as the summer job goal in those cities.

This is not necessarily a criticism of the sincerity and intent of the many dedicated employers and their representatives involved in the campaign of the National Alliance of Businessmen. Samuel M. Burt and Herbert E. Striner, in a recent staff paper published by the Institute, pointed out in great detail what the limitations are of a job-creation program relying heavily on the private sector. For one thing, it may be too much for middle-sized and small companies to provide the total gamut of services (including recruiting, remedial reading, health services, redesigning of jobs, counseling, financial assistance in crises of new workers, and reorientation of regular workers and supervisors) required to make such campaigns a success.

Burt and Striner also raise the question as to whether there is a real and effective demand in the private sector sufficient to employ the majority of the hard-core unemployed and underemployed—adults as well as youths—in addition to those jobseekers already qualified to fill entry-level jobs. Furthermore, they point out:

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[6] *Summer Jobs for Youth,* 1968, National Committee on Employment of Youth, July 29, 1968, mimeographed, p. 8.

> The lesson is really simple . . . don't ask the employer to turn his plant and office into a social service agency or an educational institution. He is paying taxes to the government and is contributing huge sums to educational and charitable institutions to provide [the supportive and remedial services necessary for training and/or hiring the disadvantaged]. . . .If he can be persuaded that any particular new program or programs will do the job more effectively, he will support them either by paying the additional taxes or by increasing his contributions.[7]

The most telling comment these two authors have to make is that many observers are beginning to ask if government itself has done enough to create and provide job opportunities in the *public* sector. They suggest very strongly that employers in private industry have the right to ask government at all levels to "take the initiative . . . in attempting to remedy its own past and present failure before throwing the major remedial burden on private industry."

To repeat, it is highly probable that the private sector—even with the best of intentions—cannot find enough jobs in its various production and commercial service activities to employ all the youths, men, and women with whom we are all concerned.

At the same time, there is a need for more workers in what has been called "public service employment." Unfortunately, this need has been obscured by the use of such terms as "government as employer of *last* resort," which implies that such employment should be advocated and provided only *after* private enterprise has failed to employ everyone; that these jobs with government agencies are only temporary, pending the rise in demand for workers in private enterprise; and that such jobs are not very desirable for the individual or useful and worth while to the community.

But government is more than an employer: more accurately, its function is to provide services to citizens—such as education, health protection, national defense, park and recreation facilities, waste disposal, water services, construction and maintenance of highways and other transportation facilities, police and fire protection, etc.

In living up to these and other obligations, the government obviously employs persons in jobs which are vital to the functioning of the society and the economy. The main point here is that *the need for the services to be provided is the underlying justification for public service employment.*

There are several categories of public service functions which are not being adequately served under existing levels of expenditure and administrative-legis-

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[7]Samuel M. Burt and Herbert E. Striner, *Toward Greater Industry and Government Involvement in Manpower Development* (Kalamazoo: The Institute, September 1968), p. 11.

lative commitment. The Joint Economic Committee of the United States Congress, in its 1966 report on public facility needs, cites six major types of public services:[8]

1. *Basic community services.* Such as provision of water, electricity, gas, and sanitary services, and including a wide variety of antipollution needs. Some of these services may be provided by private profitmaking organizations, but this does not detract from the fact that they are public services.

2. *Transportation services.* These cover not only construction and maintenance of highways, roads, streets, and bridges but urban transit systems, parking facilities, airports, train and bus stations, and port facilities. Again, some of these are privately run, but they are nevertheless public in their function, and are ultimately subject to public jurisdiction.

3. *Educational services.* These include not only public elementary and secondary schools but private ones as well; vocational schools and institutes; community and junior colleges; and universities—plus college housing and ancillary services such as food services, publications, and educational TV.

4. *Health services.* Hospitals, clinics, medical research projects, nursing home and chronic disease centers, community health clinics, services and facilities for the mentally retarded, family planning centers, etc.

5. *Recreational and cultural activities.* Embracing outdoor play centers, parks and marinas, neighborhood athletic centers, theaters, museums, auditoriums, libraries, etc.

6. *Miscellaneous.* Child care centers, jails and prisons, fire protection facilities, etc.

The present level of services in all these categories is inadequate to meet public needs; an expansion of services would provide more jobs. Furthermore, it can be argued that these public services facilitate growth in the private sector, and that if the latter is to prosper, it requires an "infra-structure" of the public service facilities, provided by public service employees.

The emergence of new needs in the public service sector of urban America will in turn generate certain manpower needs that will require (1) the design of new occupations for residents of the inner city; (2) the effective recruitment and training of these residents; (3) their placement in appropriate public agencies once trained (or perhaps after being trained on the job in those agencies); and (4) the development of "job maintenance" techniques in order to keep inner-city residents interested in the new positions (including career ladder opportunities, decent wages, trained supervisors, etc.).

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[8] *State and Local Public Facility Needs and Financing,* Volume I: *Public Facility Needs,* December 1966.

The actual number of new jobs that could be created through implementation of commitments to the public sector (not counting the new jobs in the *private* sector that would result from increased purchasing power in the pockets of new public service employees) can only be estimated at this point, but all such estimates conclude with sizable numbers of increased jobs. The "backlog" or "shelf" of public service needs contains a huge potential for jobs, regardless of what method of estimating the numbers is used.

One source of estimates is the Commission on Technology, Automation, and Economic Progress (1966) which—without citing the source or method—claimed that 5.3 million new jobs through public service employment in the following fields could be created:

Field	*Number of jobs (millions)*
Medical institutions and health services	1.2
Educational institutions	1.1
National beautification	1.3
Welfare and home care	0.7
Public protection	0.35
Urban renewal and sanitation	0.65
	5.3

A much more documented study is the one carried out in 1965 by Greenleigh Associates for OEO, entitled *A Public Employment Program for the Unemployed Poor*. This report cites a minimum, first of all, of 3.5 million unemployed and underemployed poor Americans capable of productive work. But more important, the study estimates that at least 4.3 million jobs could be filled in public service activities if the nation were to fulfill its obligation in these activities through government and private nonprofit agencies.

These 4.3 million estimated job opportunities were distributed as follows:

Public service group	*Number of jobs (millions)*
Health, including hospitals and mental health	1.355
Education	2.017
Day care	0.014
Recreation and beautification	0.136
Libraries	0.063
Public welfare	0.065
Probation and parole	0.016
Institutions for dependent and delinquent children	0.039
Public works	0.150
Police and fire	0.050
Prisons	0.024
Defense	*0.350
	4.3

*This includes "an estimated theoretical potential of 350,000 jobs that could be established for civilians on military bases if, as a matter of policy, it were decided to convert many jobs now performed by armed forces personnel to civilian employment."

These 4.3 million jobs, of course, could not be made available all at once. In the first year, the Greenleigh report states, about 470,000 jobs might be possible under a well-planned public employment program, with more than 70 percent of them in the fields of health and education alone.

The critical features about these first-year estimates are: *First,* such jobs would be socially useful with a "legitimate place in the economy." They would not be "made-work" jobs. *Second,* they could be filled by persons with low-entry skills and training. *Third,* the employing organizations would be prepared to absorb the extra employees and provide necessary training and supervision on the job without any costly capital expenditures.

The same features apply to the types of jobs considered in a third and more recent study in the spring of 1968, by the present author, at the request of the National Urban Coalition. In an effort to determine as quickly as possible, and within the bounds of realistic estimates, the job possibilities through an expansion of existing local public services, the U.S. Conference of Mayors asked the mayors of 50 cities with a population of 100,000 or more (exclusive of suburban populations) to answer a brief inquiry, the preface to which stated:

The purpose of this inquiry is to estimate the degree to which local governments in the United States could be expanding their delivery of services to their community and citizens, if the usually cited obstacles to such expansion did not exist (such as budgets).

We would appreciate your answer to the following questions after consulting with the heads and personnel chiefs in the types of agencies listed below, if such a survey has not already been conducted.

The mayors were then asked to indicate which public service functions among the following 13 had a need for at least a 10 percent increase in services and/or personnel:

Antipollution enforcement
Education
General administration
Health and hospitals
Highway and/or traffic
Housing codes and inspection
Library
Police
Fire
Recreation and parks
Urban renewal (or rehabilitation), including Model Cities
Sanitation
Welfare

Following that question, they were requested to answer the following:

. . . could you provide *estimates* of how many additional personnel would be needed to implement these increased services? Plausible, reasonable estimates are perfectly satisfactory here. We are not insisting on precise to-the-last-man figures.

On the basis of the answers to this question supplied by the 34 cities returning the forms, it is possible to estimate that among the 130 or so cities of over 100,000 population there are approximately 280,000 job possibilities among the 13 municipal public service functions cited in the questionnaire (including some functions which may be under county or state jurisdiction, such as education and welfare). (See Table IX.) The figures exclude estimates based on replies *volunteered* regarding "other" unlisted public service functions. These possibilities, of course, are at the present time only theoretical in that funds are not currently available to make them into real job openings.

Table IX

Projection of Additional Public Service Job Possibilities in 130 Cities With Population of 100,000 or More by Population Size 1968

Function or program	Total (130 cities)	Population size		
		100,000-250,000 (80 cities)	250,000-750,000 (40 cities)	750,000 or more (10 cities)
Total	*279,415*	*100,144*	*74,316*	*104,955*
Antipollution enforcement	1,748	1,072	368	308
Education	84,598	33,944	27,896	22,758
General administration	13,940	5,952	3,064	4,924
Health and hospitals	34,534	12,368	11,920	10,246
Highway and/or traffic	9,786	4,512	3,456	1,818
Housing codes and inspection	5,199	968	1,544	2,687
Library	5,619	2,232	1,804	1,583
Police	37,408	10,016	8,992	18,400
Fire	14,994	7,664	3,348	3,982
Recreation and parks	18,896	7,296	3,800	7,800
Urban renewal (or rehabilitation), including Model Cities	12,198	7,440	1,944	2,814
Sanitation	13,586	4,160	2,416	7,010
Welfare	26,909	2,520	3,764	20,625

Note: Based on replies of 34 cities. Excludes answers to "other" categories.

It should be emphasized also that the 280,000 potential positions include occupations and professions which require some degree of technical proficiency, and which could not be filled by the typical hard-core unemployed or underemployed resident of the central city. But a major purpose of this inquiry was to arrive at some intelligent estimate of the total number of the *less* technical positions deemed needed to provide the increased services in the 13 functions cited. Accordingly, the mayors were presented with the following statement and request for information:

> In many of these potentially expanded departments and functions, there is always the strong probability that new professional personnel may not be available in the numbers desired. Partly as a means of solving this type of personnel shortage, some agencies around the country have recently begun to recruit and train (A) men and women without the regularly required advanced preparation to perform those aspects of "professional" jobs which actually could be performed by such men and women. In other departments and functions needing more personnel, the only major

reason for not hiring them is simply the problem of inadequate funds, and (B) men and women could be employed in a variety of jobs that are not rigidly professional in nature (for example, playground aides, urban beautification personnel, certain kinds of hospital employees, etc.).

In column 3, would you indicate what percent of the numbers cited in column 2 might consist of these two types, A and B, of new employees? In answering this question, please do not feel constrained by any *existing* budgetary or entrance-requirement limitations. Again, no iron-clad precise percentage is requested here—only your best estimate as to what proportion of these jobs could conceivably be filled by nonprofessional personnel.

The results of analysis of this information revealed that more than one-half of all the job possibilities cited previously could be filled, according to the mayors and their agency heads, by persons without technical or professional training. In other words, *at least* 140,000 job possibilities for inner-city residents may be said to be present in the 13 public service functions in cities of over 100,000 population (see Table X).

Table X

Projection of Additional Nonprofessional Public Service Job Possibilities in 130 Cities With Population of 100,000 or More, by Population Size 1968

Function or program	Total (130 cities)	Population size		
		100,000-250,000 (80 cities)	250,000-750,000 (40 cities)	750,000 or more (10 cities)
Total	*141,144*	*44,920*	*40,580*	*55,644*
Antipollution enforcement	900	568	232	100
Education	39,134	10,704	15,000	13,430
General administration	5,313	2,864	1,236	1,213
Health and hospitals	18,790	6,120	6,596	6,074
Highway and/or traffic	7,179	3,608	2,168	1,403
Housing codes and inspection	1,473	440	576	457
Library	3,159	1,176	908	1,075
Police	11,616	2,360	3,916	5,340
Fire	5,390	2,720	1,648	1,022
Recreation and parks	14,359	5,696	2,900	5,763
Urban renewal (or rehabilitation), including Model Cities	7,800	5,304	1,104	1,392
Sanitation	7,534	2,816	1,868	2,850
Welfare	18,497	544	2,428	15,525

Note: Based on replies of 34 cities. Excludes answers to "other" categories.

Most of these public service jobs are apparently needed in schools, health centers, recreation, welfare, and protective service agencies (see Table XI). Their distribution by size of city is shown in Table XII.

Table XI

Projected Additional Public Service Job Possibilities in 130 Cities With Population of 100,000 or More by Type of Function 1968

(in percent)

Function	New public service positions	
	All	Nonprofessional
Total	100.0	100.0
Antipollution enforcement	0.6	0.6
Education	30.3	27.7
General administration	5.0	3.8
Health and hospitals	12.4	13.3
Highway and/or traffic	3.5	5.1
Housing codes and inspection	1.9	1.0
Library	2.0	2.2
Police	13.4	8.2
Fire	5.4	3.8
Recreation and parks	6.8	10.2
Urban renewal (or rehabilitation), including Model Cities	4.4	5.5
Sanitation	4.9	5.3
Welfare	9.6	13.1
Percentages based on	279,415	141,144

Note: Based on replies of 34 cities. Excludes answers to "other" categories. Columns may not add to 100 because of rounding.

Table XII

Projected Additional Public Service Job Possibilities in 130 Cities With Population of 100,000 or More by Size of City 1968

(In percent)

Size of city	New public service positions	
	All	Nonprofessional
Total	100.0	100.0
100,000 - 250,000	35.8	31.8
250,000 - 750,000	26.6	28.8
750,000 or more	37.6	39.4
Percentages based on	279,415	141,144

Note: Based on replies of 34 cities. Excludes answers to "other" categories.

This survey of local governments concentrated on a limited approach to the need to estimate on an intelligent basis essentially those manpower needs just for the expansion of *existing* local urban government programs; it was limited further to a small number of such functions in cities with a population of 100,000 or more. The implications of this survey include the following:

A. The fact that the estimates pertain primarily to existing programs suggests that the additional jobs could be filled without too much delay if funds could be made available.

B. For a number of reasons, the figure of 140,000 is a *minimum* estimate of the overall potential of public service employment.

First, the data on which the number is based exclude many other municipal functions not asked about in the survey. *Second,* the estimates apply only to urban places of over 100,000 population—which encompass about one-third of the total population in the United States. *Third,* they do not include any estimates from nonprofit private organizations in equal, if not greater, need of expansion of their services in urban and rural areas. *Fourth,* the 140,000 figure does not include the estimates by the mayors of some cities volunteering responses to the "other" category in the questionnaire. (If the "other" category is used in the estimate, it is safe to add an additional 10,000 job possibilities in public service employment for inner-city residents, raising the minimum estimate to 150,000 for cities of over 100,000.) *Fifth,* it must be remembered

that the 150,000 figure *excludes* an identical estimate for professional and technical personnel needed in these few public service categories. We are talking here only about *non*professional—or "subprofessional" jobs.

C. There is another significant reason for considering the estimate of 140,000 to 150,000 to be a conservative figure. It has to do with the possibility that too little thought has been given by city administrators to the actual extent of need for expanded and new public services. Antipollution enforcement is one example. This is a new and growing area of public concern, and in the next few years the manpower and personnel aspects of the enforcement and implementation of antipollution and other environmental health measures can be expected to become a major administrative challenge to urban areas. It is extremely doubtful that among the 130 cities with over 100,000 population only 1,700 additional positions—as determined by the estimates of the 34 cities providing information—will be required to carry out such measures.

Not only do we have a *backlog* of unmet public service needs: there is also a vast amount of *unanticipated and unplanned* needs for which little preparation has been made. In strong contrast to those students of manpower projections who foresee fewer and fewer jobs, there are other persons (including this writer) who fear that we have not begun to prepare for the wide and expanding range of human and public service functions that will be necessary to make life viable in our urban areas—that we will have a need for more and more employees.

D. In this connection, it may also be pertinent to mention that the need for such *public* service may be accelerated by growth in the *private* sector of our economy and society. This need, in other words, is not *sui generis,* i.e., something that develops by itself in isolation from other conditions and trends. For example, in the use of automobiles and trucks by the private sector of the urban economy, certain public-function needs must be met such as driver education, vehicle inspection, traffic and parking control, highway construction and maintenance, and air pollution control.

E. It may be pushing the point too far, but a further effect of the employment of an additional 150,000 professionals and another 150,000 nonprofessionals in the public sector at the local level alone would be to place new purchasing power into the total economy of the country which in turn could provide a more realistic demand for increased employment in the private sector. In this indirect way (rather than via direct employment *at first* of the so-called "unemployables" through exhortation and goodwill) an intrinsic demand among private employers for more workers would result. At the present time, however, the demand is not enough to absorb all (or a substantial majority of) these jobseekers. Despite all the moral and practical reasons for the contemporary involvement of the private sector in the urban job crisis, if there is no such intrinsic employer

demand for thousands of more workers, that crisis will not be effectively overcome.

F. New needs in the public service sector of urban America are emerging; these, along with older unmet needs, will require, first of all, the design of new occupations for residents of the inner city; second, the effective recruitment and training of these residents; third, their placement in appropriate agencies in the city after training (or perhaps after being trained on the job in those agencies); and finally, the development of techniques of what might be called "job maintenance" in order to keep such inner-city residents attracted to these new positions.

Summary

The solution to our problems of "hard-core" unemployment and underemployment must combine (a) the current efforts of the private sector to train and hire; with (b) the expansion and provision of public services at various levels of government and in nonprofit organizations. Neither approach by itself will go very far in meeting the urgent needs of the unemployed and the general community.

The overall picture is of an economy and society with many unmet needs—unfilled jobs—and with the *potential means* to meet the needs and fill the jobs —*potential* only because we have not placed a high enough priority on the goal of providing the services to meet the needs, and thus to create the jobs involved. It is rather ironic that by 1975, according to an estimate by the National Planning Association in a report for the Manpower Administration, *Manpower Requirements for National Objectives in the 1970's,* we shall need 10 million more individuals to fill the optimum manpower requirements of the nation than we are likely to have in the total labor force. Compared to 1962, we shall need, in 1975, nearly twice as many workers in education and health services; nearly twice as many in social welfare; about 60 percent more in housing programs; and 60 percent more in urban development. The percentage increases in the various other public service categories are almost as high, if not higher. If the 1-to-1 ratio in the Sheppard study for the Urban Coalition is any basis for estimating what portion of the *extra* jobs in these categories might be filled by underemployed and nonprofessional persons, the estimate would be about 8.5 million in just health and education, housing, social welfare, and urban development.

At any rate, there is an urgent need to start now in 1968 to take the necessary first steps toward providing the much needed public services—and thus the accompanying new jobs for the unemployed and underemployed if we are to realize to any degree the national aspiration goals for 1975—a short seven years away. These first steps include the passage of legislation to create the public service employment jobs at local, county, state, and national levels of government; a more rational and improved program—with realistic recognition of the intrinsic demand problem—of private industry training and hiring of the hard-core unemployed and underemployed; and, of course, the maintenance of those fiscal and monetary policies conducive to a "full-employment" economy.

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